



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF AUDIT  
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SAN FRANCISCO, CALIFORNIA 94111

May 29, 1974

TO: Mr. R. L. O'Connell  
Director, Enforcement Division  
EPA, Region IX  
San Francisco, California

FROM: Manager  
Western Area Audit Group

SUBJECT: Hawaii's Application for NPDES Permit Program Approval

In accordance with your request for our comments on Hawaii's NPDES application, the following information is presented.

As you are aware, we recently performed a special audit of Hawaii's consolidated grant at the request of the Regional Administrator. The draft audit report was submitted to the Regional Administrator on May 10, 1974. One section of the report discussed the effectiveness of Hawaii's efforts in the NPDES permit area. In general, it was our conclusion that Hawaii was ineffective in its limited NPDES permit activities and that the state has demonstrated an almost total disinterest in the NPDES permit program. To assist the state in improving its permit program, the report contained 10 recommendations for corrective action. We also found that many of the deficiencies which existed under the predecessor state permit program, which was for the most part abandoned in early FY 1974, have carried over to the NPDES permit program. Although the state has made some organizational changes, this reorganization did not result in any changes in DOH's upper level management. Consequently, it is our opinion that the state's overall environmental philosophies, particularly as they relate to compliance monitoring and enforcement, will not change to any great extent. In summary, we believe that Hawaii should be required to initiate action on the specific recommendations included in our May 10, 1974 audit report before serious consideration is given to approving its application for assuming the NPDES permit program. Further, an advance understanding of the financial penalties if the state fails to operate an effective permit program should be established and enforced.

In relation to the specific information included in the application, we offer the following additional comments.

Manpower Requirements. The application indicates that 25 state employees (3 full-time and 22 less-than-full-time) will be utilized to implement the NPDES program. The personnel costs associated with these employees were estimated at about \$102,000. The application did not indicate the period for which the above manpower forecast was made, although it is assumed that it applies to FY 1975. Since the above manpower estimate represents a substantial portion of Hawaii's environment staff, we believe that the NPDES staffing and fund requirements must be related to the requirements which the state anticipates it will need for air pollution control, solid waste management and other water pollution control areas such as surveillance and monitoring and construction grants. Without knowledge of the state's total planned environmental efforts, it is not possible to ascertain whether Hawaii can (or will) realistically devote 25 employees at an annual salary cost of \$102,000 to the NPDES program.

Compliance Monitoring. The application did not mention what procedures would be followed by the state in monitoring the progress of NPDES compliance schedules. Since this is an important area, it appears that such procedures must be established prior to the delegation of NPDES authority.

State Permit Program. The summary of dischargers included in the application gives the impression that Hawaii is continuing to operate a state permit program. This was not true at the time of our audit in April 1974. In addition, some of the dischargers listed as under state permit such as the raw sewage discharges from the Moirton Subdivision, Silverton Subdivision, Anderton Subdivision, and Paukaa Subdivision have not been under a state permit since March 1972. These subdivisions have not applied for NPDES permits.

Please advise if you have any questions or require any additional information.

  
TRUMAN RONALD BEELER